

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE HARRISON COUNTY)	
WATER ASSOCIATION, INC., OF HARRISON)	
COUNTY, KENTUCKY, FOR A CERTIFICATE OF)	CASE NO. 92-189
PUBLIC CONVENIENCE AND NECESSITY TO)	
CONSTRUCT AND FINANCE A PROJECT)	

O R D E R

On May 1, 1992, Harrison County Water Association, Inc. ("Harrison Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$1,902,288 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 300 additional customers. Project funding includes a \$710,000 loan from the Farmers Home Administration ("FmHA"), a \$300,000 grant from FmHA, a \$554,400 Community Development Block Grant ("CDBG") from the U.S. Department of Housing and Urban Development ("HUD"), a \$271,188 contribution from Harrison Water's reserve funds, \$52,000 from applicants for service in the proposed project area, and \$14,700 from Harrison County Fiscal Court, Harrison Water and local financial thrift companies. The loan will be for a 40-year period.

Harrison Water's application was made pursuant to KRS 278.023 which requires the Commission to accept agreements between water associations and FmHA or HUD and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that

minimum filing requirements were met in this case on May 20, 1992, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Harrison Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Harrison Water's proposed plan of financing with FmHA is accepted.

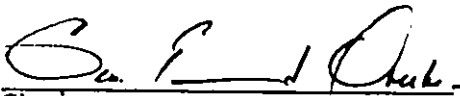
3. Harrison Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

4. Harrison Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 6(1), Harrison Water shall take immediate action to bring the system into compliance with Commission regulations.


Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 29th day of May, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director, Acting